

## **ATTACHMENT G**

### **Potomac Yard Metrorail Station Cost/Revenue Summary**

**(April 29, 2019)**



## POTOMAC YARD METRORAIL STATION COST/REVENUE SUMMARY

### BACKGROUND AND OBJECTIVES

WSP<sup>1</sup> has assisted the City of Alexandria (“City”) with evaluating the cost and funding of the Metrorail station in Potomac Yard periodically since 2009. The primary objective of the analysis has been to estimate the City’s cash flow and ability to pay for the new station with revenue generated by planned real estate development. The City’s adopted plan requires that station costs be paid for by revenue generated from new real estate development surrounding the station in designated areas in Potomac Yard (specifically landbays F, G, H, I, J, and L). This revenue is allocated to a dedicated station fund and is generated by several mechanisms, including net new taxes from the ongoing development, two tiers of special tax assessments based on proximity to the station, and negotiated developer contributions on new construction closest to the station.

The analysis has provided estimates of total station fund revenue over time based on likely development buildout scenarios and a comparison of this revenue stream to the City’s costs to build the station. The City’s cost is contingent upon several variables, including the total cost and timing of construction of the station, municipal bond market conditions that determine the City’s cost to borrow money for the construction in the form of general obligation (GO) bonds, and the availability of other funding sources such as grants and infrastructure loans provided by public entities at the commonwealth and federal level.

To conduct the cash flow analysis, a financial model was developed to incorporate all the potential variables impacting both achievable station fund revenue as well as the City’s costs described above. Given the many variables involved and the evolution of the project over time since 2009, the analysis and model have evolved to reflect this complexity. Although the analysis itself is somewhat complicated, like any financial analysis, there are two primary considerations: revenue and costs, and the factors that serve to increase or reduce either. While the analysis includes many variables, inputs, and assumptions that impact revenue and cost, the net cash flow is the most sensitive to the location of the station itself, because this selection impacts both development buildout scale and timing (revenue) and station construction cost and timing (costs).

**Recent Updates to the Analysis:** Following the Federal Transit Administration and National Park Service’s respective Records of Decision (ROD) approving Alternative B station location in 2016, the analysis was updated to assist with additional financial due diligence as recently as mid-2018, including evaluations of revenue sensitivity to adjustments to various terms and agreements in response to public and private stakeholder requests. In response to the concerns of impacted residents, the City evaluated the removal of the “Tier II” special tax assessment on uses in landbays I and J and ultimately eliminated this special tax district. As a result of relatively weaker market conditions for commercial land uses, the City also agreed to a request by the owner of landbay F to defer the required developer contributions on commercial uses to facilitate development feasibility and catalyze delivery of commercial land uses near the station. During this period of more granular evaluation, the financial model was restructured and refined to focus on development buildout scenarios and station costs specific to Alternative B, and the City’s decisions in response to these stakeholders was informed by the analysis under the assumption of the Alternative B station location and the resulting development scenario and station fund cash flows.

To facilitate VDEQ’s request for a cost and revenue comparison of multiple station location alternatives, assumptions and inputs from these most recent model updates were combined with the previous model structure used prior to the RODs to revisit the comparison of

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<sup>1</sup> Formerly “Parsons Brinckerhoff” and “WSP Parsons Brinckerhoff”



multiple station location alternatives. This memo summarizes the assumptions and results of this update and the resulting costs and revenue from Alternative B, Alternative A, and Alternative B-CSX.

## REVENUE AND COST ASSUMPTIONS

The following section documents the primary assumptions and inputs to the financial analysis to estimate station fund revenue, costs, and the resulting cash flows by alternative.

## REVENUE SOURCES

The station fund accumulates revenue from the following agreed upon sources and mechanisms:

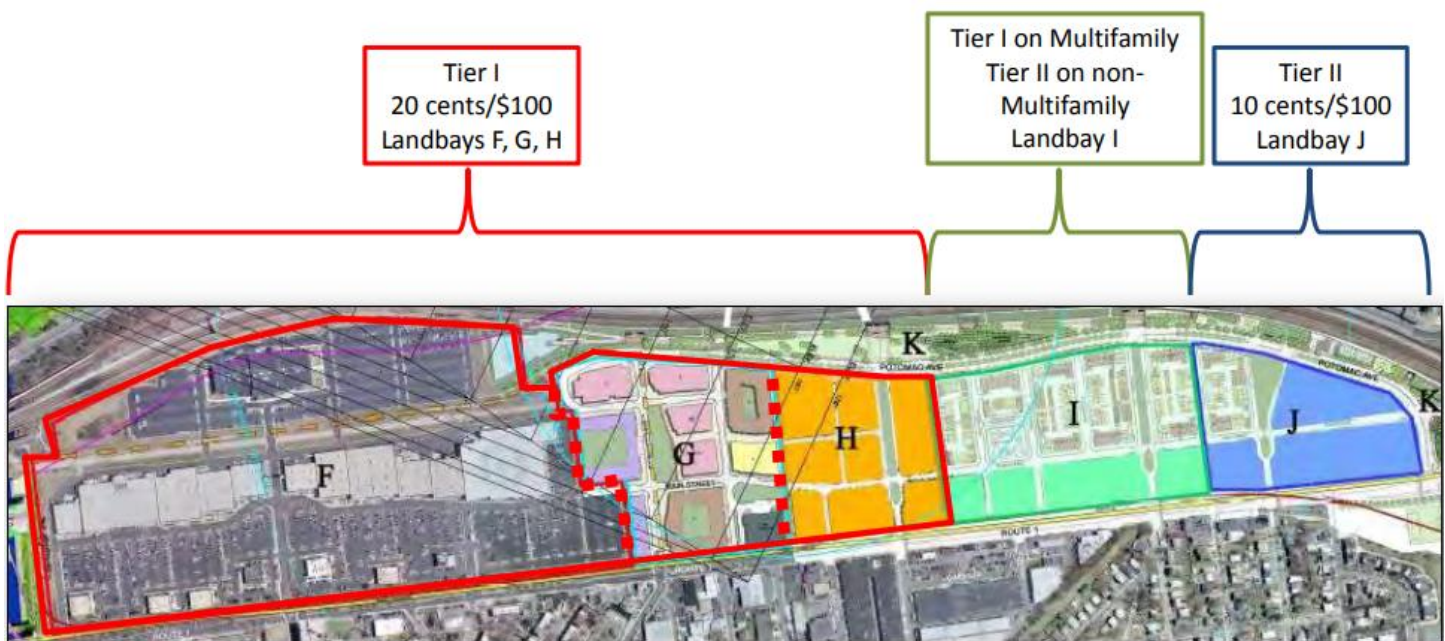
- 1. Net New Tax Revenue** – For any new development taking place in Potomac Yard after January 1, 2011, the incremental tax revenue resulting from this new development is allocated to the station fund after accounting for the cost of City services associated with the new development. The baseline of tax revenue generated by uses in existence prior to January 1, 2011 continues to go to the City’s General Fund and is not counted as available for Metrorail station financing. For new tax revenue generated by new development (in landbays F, G, H, I, J, and L), a fixed percentage (37.5% of residential, 16% of retail, 12% of office, and 7% of hotel tax revenue) is allocated to the General Fund to pay for City and school services that the new residents and businesses in Potomac Yard may require. These percentages are based on a fiscal impact conducted for the City, and represent the amount necessary to cover the cost of the City’s services for the new development. Sources of incremental tax revenue from new uses are included in the following table along with assumptions used to estimate each.

Table 1: Net New Tax Revenue Sources and Assumptions

REVENUE SOURCE	ASSUMPTIONS
Real Property	<ul style="list-style-type: none"><li>Assumes \$1.13/\$100 valuation based on current real property tax rate.</li><li>Future new construction property values by land use based on input from the City’s Office of Real Estate Assessments.</li></ul>
Sales	<ul style="list-style-type: none"><li>1% tax on all retail sales.</li><li>Assumes annual retail sales of \$500/square foot of net new retail development forecast to be built out over the forecast period.</li></ul>
Transient Lodging	<ul style="list-style-type: none"><li>6.5% local tax on gross hospitality revenue.</li><li>\$1.25 per occupied room per night.</li><li>Forecast assumes new hospitality will achieve average daily rate (ADR) of \$150 per room night and average annual occupancy of 70%, based on historical data for the Alexandria hotel market.</li></ul>
Meals	<ul style="list-style-type: none"><li>5% local tax on restaurant sales.</li><li>Assumes 15% of net new retail space will be occupied by restaurant tenants.</li></ul>
Business License (BPOL) Business Tangible (BPP)	<ul style="list-style-type: none"><li>Estimates of BPOL and BPP revenue are based on revenue per employee calculated using total revenue from the most recent City budget and total at-place employment estimates from the U.S. Bureau of Labor Statistics (BLS).</li><li>Future employment forecast based on total square feet of commercial development and square feet/employee assumptions for office, retail, and hospitality. These figures were adjusted downward for federal and non-profit employment, exempt from local BPOL and BPP taxes.</li></ul>

2. **Special Tax Districts** – Initially, two different special tax districts (Tier I and Tier II) were established to generate further revenue for the Station Fund. All taxable real property in both districts were to be taxed with no exemptions. At the time, landbay L was the only area not included in a special district. In 2018, the Tier II special tax was eliminated.
- Tier I** - Special tax of 20 cents per \$100 of valuation applied to Landbays F, G, H, and the multifamily portion of I, with collections beginning in 2011.
  - Tier II** - Special tax of 10 cents per \$100 of valuation applied to the non-multifamily development in Landbay I and all of Landbay J. Prior to the elimination of Tier II, collections were planned to commence the first calendar year after the station opening.

Figure 1: Map of Tier I and Tier II Special District Assessments (prior to removal of Tier II)



3. **Developer Contributions and Shortfall Guarantee** - The third primary source of revenue is from developer contributions made by the various owners of the different landbays. In 2010, the owner of landbay F pledged to contribute \$10 per square foot (2010 dollars) of new development for up to 4.9 million square feet of development, indexed to inflation, in the Alternative B and B-CSX scenario. The North Potomac Yard developer contributions are not applicable to the Alternative A financial analysis, as the developer is not obligated to provide contributions for Alternative A. Due to challenging development economics, in 2018 City Council adopted a revised version of this agreement, allowing for the deferment of the developer contribution on the first phase of commercial uses planned in landbay F.

In order to reduce the risk that the City may need to draw upon General Fund revenue, the owner of landbay F also agreed to cover any station fund cash flow shortfall for Alternative B or Alternative B-CSX should the station fund level be insufficient to cover annual debt service. This guarantee is capped at a cumulative amount of \$32 million of the life of the bond issuance, and cannot exceed \$10 million in any single calendar year.

## DEVELOPMENT BUILDOUT SCENARIOS

The scale and timing of development buildout is different based on each station location alternative and these variations have an impact on station fund revenue collections over time. Updates to the buildout scenarios for the three alternatives were provided by the



City's Department of Planning and Zoning, factoring in existing development and new construction since January 1, 2011 and any alternative-specific land constraints, station timing, mix of uses, and other considerations. Landbays I, J, and L contribute to station fund revenue but are fully built out as of the date of this report, and therefore do not vary by alternative. As such, the station location impacts the timing, mix, and scale of development in landbays F, G, and H. The following table shows total existing and planned buildout by land use in all landbays that generate revenue to the station fund.

*Table 2: Total Development by Land Use, Alternative, and Landbay (2055)*

ALTERNATIVE	A	B	B-CSX
Residential (units)	F: 3,706 G: 780 H: 722 I: 281 J: 374 <u>L: 441</u> 6,304	F: 3,676 G: 780 H: 722 I: 281 J: 374 <u>L: 441</u> 6,274	F: 3,276 G: 1,160 H: 1,172 I: 281 J: 374 <u>L: 441</u> 6,704
Office (SF)	F: 1,450,000 G: 948,000 <u>H: 450,000</u> 2,848,000	F: 2,742,000 G: 948,000 <u>H: 450,000</u> 4,140,000	F: 2,542,000 G: 568,000 <u>H: 0</u> 3,110,000
Retail (SF)	F: 843,000 G: 78,000 H: 25,000 J: 5,000 <u>L: 5,000</u> 956,000	F: 915,000 G: 78,000 H: 25,000 J: 5,000 <u>L: 5,000</u> 1,028,000	F: 853,000 G: 78,000 H: 25,000 J: 5,000 <u>L: 5,000</u> 966,000
Hotel (Rooms)	F: 150 <u>G: 170</u> 320	F: 300 <u>G: 170</u> 470	F: 300 <u>G: 170</u> 470

*Source: City of Alexandria*

While the station location impacts total buildout, it also has an effect on the mix and intensity of uses within proximity to the station, which has implications for transit ridership. The following table shows each alternative's land uses within a quarter-mile and half-mile distance from the station.



**Table 3: Total Development by Proximity to Station, Alternative, and Land Use (2055)**

ALTERNATIVE	A	B	B-CSX
<b>Residential (units)</b>			
<i>1/4-mile:</i>	1,800	1,300	2,500
<i>1/4-1/2-mile:</i>	<u>2,700</u>	<u>4,300</u>	<u>2,700</u>
<b>Total</b>	4,500	7,600	5,200
<b>Office (SF)</b>			
<i>1/4-mile:</i>	1,398,000	3,293,000	1,782,000
<i>1/4-1/2-mile:</i>	<u>1,450,000</u>	<u>847,000</u>	<u>1,328,000</u>
<b>Total</b>	2,848,000	4,140,000	3,110,000
<b>Retail (SF)</b>			
<i>1/4-mile:</i>	10,000	559,000	713,000
<i>1/4-1/2-mile:</i>	<u>759,000</u>	<u>434,000</u>	<u>218,000</u>
<b>Total</b>	769,000	993,000	931,000
<b>Hotel (Rooms)</b>			
<i>1/4-mile:</i>	170	320	150
<i>1/4-1/2-mile:</i>	<u>150</u>	<u>150</u>	<u>320</u>
<b>Total</b>	320	470	470

Source: City of Alexandria

## FINANCING ASSUMPTIONS

It is assumed that the City will fund station construction costs through a mix of several funding and financing sources, including the following:

- Northern Virginia Transportation Authority (NVTa) Grant Funds: \$70M
- Virginia Transportation Infrastructure Bank (VTIB) Loan: \$50M
- Build American Bureau Funding (TIFIA): \$88M
- Station Fund Cash Reserve: \$44M
- General Obligation (GO) Bonds: balance remaining by alternative

The NVTa grant has been awarded and the VTIB loan agreement is secured, however, the TIFIA loan, station fund cash reserve, and total GO bond issuance are estimates that may vary depending on the alternative. The project is currently being evaluated for a TIFIA loan. The amount of a TIFIA loan can be a maximum of 49 percent of project costs, however, existing TIFIA loans have not exceeded 33 percent of project costs. Given the higher estimated costs of Alternatives A and B-CSX, it is possible that a higher TIFIA loan amount could be assumed. However, it is not clear if or how the increased cost and delayed timing of Alternatives A and B-CSX will impact the project's eligibility or chances under this program. The current assumption of \$88 million is a conservative estimate under the Alternative B scenario. Given the unknowns surrounding the potential for TIFIA under the other alternatives, this amount has been assumed for each alternative.

Given the potential delays associated with Alternatives A and B-CSX, it is possible that the amount of revenue collected in the station fund is higher as well. However, the City's additional costs of revisiting the process of planning these alternatives is currently



unknown and would be drawn from the station fund reserve until construction commences. Given these current unknowns, the \$44 million balance was assumed for each alternative. In each alternative, it is assumed that GO bonds will be issued to cover the remaining balance. Because the development buildout period results in low levels of revenue in the early years of debt service, the VTIB, TIFIA, and GO bond issuances are assumed to be structured to minimize debt service in early years through various terms including periods of interest-only payments and debt ramp-up periods.

Based on these assumptions, the following table summarizes the financing scenario under each alternative.

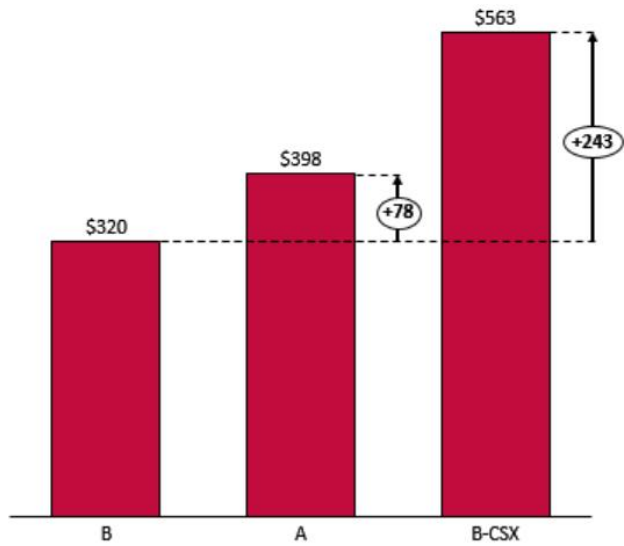
*Table 4: Funding and Financing Assumptions and Resulting Debt Service*

ALTERNATIVE	A	B	B-CSX
Station Cost	\$398M	\$320M	\$563M
-NVTA Grant	\$70M	\$70M	\$70M
<u>-Station Fund Reserve</u>	<u>\$44M</u>	<u>\$44M</u>	<u>\$44M</u>
=Remaining Principal	\$284M	\$206M	\$449M
VTIB Principal	\$50M	\$50M	\$50M
VTIB Interest Rate	2.19%	2.19%	2.19%
TIFIA Principal	\$88M	\$88M	\$88M
TIFIA Interest Rate	2.91%	2.91%	2.91%
GO Bond Principal	\$146M	\$68M	\$311M
GO Bond Interest Rate	4.50%	4.50%	4.50%
Construction Start Date	2021	2019	2024

# PROJECT COSTS BY ALTERNATIVE

Estimated station costs and timing for each alternative were provided by City staff. As shown in Figure 2, Alternative A results in a cost increase of \$78 million and Alternative B-CSX is \$268 million more than Alternative B. Some of these increases are a result of the delay in delivery that would take place. The City estimates that construction would not start on Alternative A until 2021 and 2024 for Alternative B-CSX.

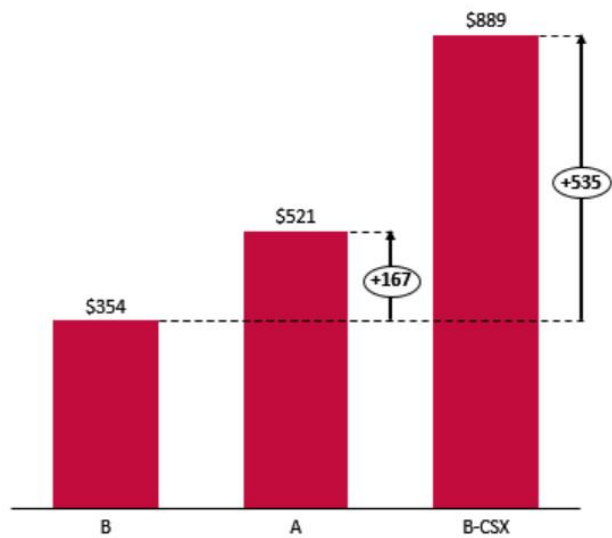
Figure 2: Comparison of Total Station Cost (in millions)



Source: City of Alexandria

Based on current available information on financing assumptions described in the previous section, total debt service costs to the City increase by \$167 million under Alternative A and by over \$530 million for Alternative B-CSX.

Figure 3: Comparison of Total City Debt Service Cost by Alternative





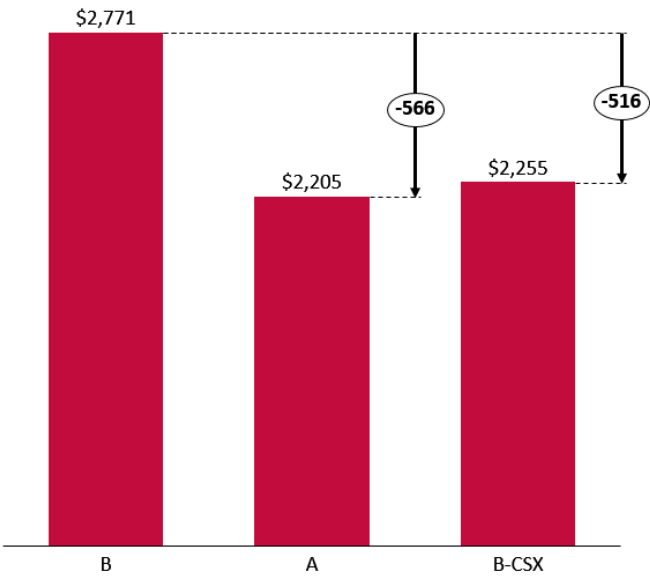


Based on these financing assumptions, Alternative A results in a 47% increase in debt service costs to the City while B-CSX yields an increase of over 150%.

REVENUE BY ALTERNATIVE

Based on the changes in timing, scale, and mix of land uses shown in the development buildout scenarios section above, total revenue generated in landbays F, G, and H from net new taxes, the Tier I special tax, and developer contributions over the 40-year study period analyzed is shown below.

Figure 4: Total Station Fund Revenue by Alternative (net of cost of City services but before debt service), Landbays F, G, and H, 2019 - 2058



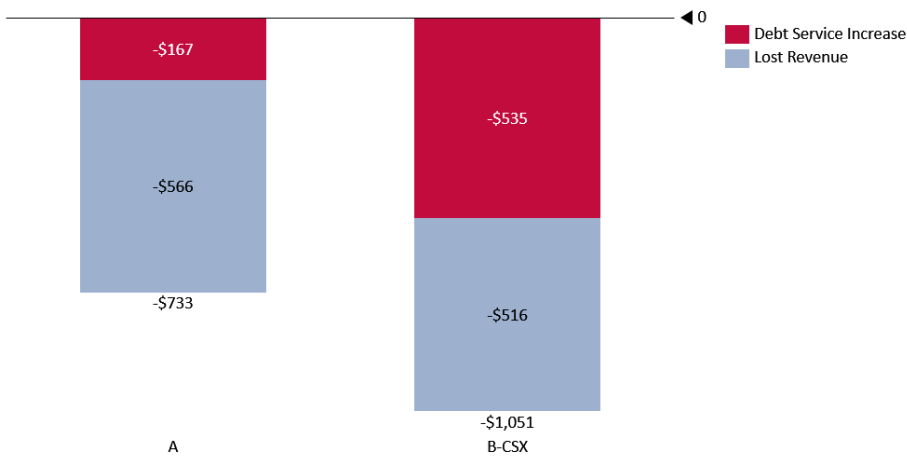
Over the 40-year period analyzed from 2019 through 2058, station fund revenue is reduced by over a half billion dollars for both alternatives relative to Alternative B. Alternative A’s reduction is due primarily to reduced development intensity. Although Alternative B-CSX has a comparable density as that of Alternative B, the timing of the most intense development surrounding the station is delayed, resulting in lower revenue over the period analyzed.



## SUMMARY OF REVENUE AND COST IMPACTS BY ALTERNATIVE

The reduced station fund revenue and increased debt service cost in both Alternatives A and B-CSX total \$733 million and \$1.1 billion respectively over the 40-year period analyzed from 2019 through 2058.

Figure 5: Summary of Total Station Fund Revenue (Net of Cost of City Services) and Cost Impact Relative to Alternative B (millions)





APPENDIX

In addition to the total over the 40-year period, revenue collection was analyzed by several variables. The first table shows total net new tax revenue from landbays F, G, and H excluding existing uses and the second shows this less debt service. The following tables show revenue collection from office and residential uses closest to each station location alternative. Revenue from these uses was summarized by gross amount, total net of city municipal costs, and both including and excluding existing land uses as of 2018.<sup>2</sup>

Table 5: Net New Tax Revenue Collection, Excluding Existing Uses, Landbays F, G, and H, 2019 - 2058 (millions)

	2019-2028	2029-2038	2039-2048	2049-2058	TOTAL
Alternative B	87	389	851	1,256	2,583
Alternative A	81	290	601	1,045	2,018
Alternative B-CSX	58	223	616	1,170	2,067

Table 6: Net New Tax Revenue Collection, Excluding Existing Uses, Landbays F, G, and H, Net of Debt Service, 2019 - 2058 (millions)

	2019-2028	2029-2038	2039-2048	2049-2058	TOTAL
Alternative B	37	267	719	1,206	2,230
Alternative A	41	126	411	924	1,501
Alternative B-CSX	39	(39)	302	892	1,195

<sup>2</sup> Totals may not sum due to rounding



*Table 7: Gross Office and Residential Revenue Collection, Including Existing Uses, 1/4-Mile from Station, 2019 - 2058 (millions)*

ALTERNATIVE	A	B	B-CSX
Office	\$506	\$885	\$373
Residential	\$518	\$391	\$487
Total	\$1,024	\$1,275	\$860

*Table 8: Gross Office and Residential Revenue Collection, Including Existing Uses, 1/2-Mile from Station, 2019 - 2058 (millions)*

ALTERNATIVE	A	B	B-CSX
Office	\$807	\$1,119	\$650
Residential	\$1,096	\$1,410	\$1,135
Total	\$1,903	\$2,529	\$1,785

*Table 9: Gross Office and Residential Revenue Collection, Including Existing Uses, Landbays F, G, H, 2019 - 2058 (millions)*

ALTERNATIVE	A	B	B-CSX
Office	\$807	\$1,119	\$650
Residential	\$1,166	\$1,307	\$1,262
Total	\$1,973	\$2,425	\$1,911



*Table 10: Office and Residential Revenue Collection Net of Costs of City Services, Including Existing Uses, 1/4-Mile from Station, 2019 - 2058 (millions)*

ALTERNATIVE	A	B	B-CSX
Office	\$454	\$793	\$335
Residential	\$335	\$255	\$333
Total	\$789	\$1,048	\$668

*Table 11: Office and Residential Revenue Collection Net of Cost of City Services, Including Existing Uses, 1/2-Mile from Station, 2019 - 2058 (millions)*

ALTERNATIVE	A	B	B-CSX
Office	\$725	\$1,003	\$583
Residential	\$722	\$933	\$763
Total	\$1,447	\$1,936	\$1,346

*Table 12: Office and Residential Revenue Collection Net of Cost of City Services, Including Existing Uses, Landbays F, G, H, 2019 - 2058 (millions)*

ALTERNATIVE	A	B	B-CSX
Office	\$725	\$1,003	\$583
Residential	\$777	\$869	\$845
Total	\$1,501	\$1,871	\$1,429



Table 13: Gross Office and Residential Revenue Collection, Excluding Existing Uses, 1/4-Mile from Station, 2019 - 2058 (millions)

ALTERNATIVE	A	B	B-CSX
Office	\$506	\$885	\$373
Residential	\$204	\$214	\$487
Total	\$709	\$1,099	\$860

Table 14: Gross Office and Residential Revenue Collection, Excluding Existing Uses, 1/2-Mile from Station, 2019 - 2058 (millions)

ALTERNATIVE	A	B	B-CSX
Office	\$807	\$1,119	\$650
Residential	\$684	\$1,034	\$939
Total	\$1,491	\$2,153	\$1,589

Table 15: Gross Office and Residential Revenue Collection, Excluding Existing Uses, Landbays F, G, H, 2019 - 2058 (millions)

ALTERNATIVE	A	B	B-CSX
Office	\$807	\$1,119	\$650
Residential	\$893	\$1,034	\$1,066
Total	\$1,700	\$2,153	\$1,716



Table 16: Office and Residential Revenue Collection Net of Cost of City Services, Excluding Existing Uses, 1/4-Mile from Station, 2019 - 2058 (millions)

ALTERNATIVE	A	B	B-CSX
Office	\$454	\$793	\$335
Residential	\$139	\$145	\$333
Total	\$593	\$934	\$668

Table 17: Office and Residential Revenue Collection Net of Cost of City Services, Excluding Existing Uses, 1/2-Mile from Station, 2019 - 2058 (millions)

ALTERNATIVE	A	B	B-CSX
Office	\$725	\$1,003	\$583
Residential	\$465	\$698	\$641
Total	\$1,190	\$1,701	\$1,224

Table 18: Office and Residential Revenue Collection Net of Cost of City Services, Excluding Existing Uses, Landbays F, G, H, 2019 - 2058 (millions)

ALTERNATIVE	A	B	B-CSX
Office	\$725	\$1,003	\$583
Residential	\$607	\$698	\$723
Total	\$1,331	\$1,701	\$1,306



*Table 19: Gross Office and Residential Revenue Collection, Including Existing Uses, 1/4-Mile from Station, 2019 - 2058 (millions)*

PERIOD	2019-2028			2029-2038			2039-2048			2049-2058		
ALTERNATIVE	A	B	B-CSX	A	B	B-CSX	A	B	B-CSX	A	B	B-CSX
<i>Office</i>	\$27	\$24	\$0	\$103	\$118	\$2	\$160	\$269	\$102	\$215	\$474	\$269
<i>Residential</i>	\$65	\$37	\$0	\$109	\$86	\$14	\$147	\$115	\$145	\$197	\$152	\$328
<i>Total</i>	\$92	\$61	\$0	\$212	\$204	\$16	\$307	\$385	\$248	\$413	\$626	\$597

*Table 20: Gross Office and Residential Revenue Collection, Including Existing Uses, 1/2-Mile from Station, 2019 - 2058 (millions)*

PERIOD	2019-2028			2029-2038			2039-2048			2049-2058		
ALTERNATIVE	A	B	B-CSX	A	B	B-CSX	A	B	B-CSX	A	B	B-CSX
<i>Office</i>	\$27	\$24	\$20	\$108	\$149	\$51	\$235	\$347	\$167	\$436	\$600	\$411
<i>Residential</i>	\$85	\$81	\$40	\$179	\$200	\$121	\$306	\$440	\$324	\$526	\$690	\$650
<i>Total</i>	\$113	\$104	\$61	\$287	\$348	\$171	\$541	\$787	\$491	\$961	\$1,290	\$1,062

*Table 21: Gross Office and Residential Revenue Collection, Including Existing Uses, Landbays F, G, H, 2019 - 2058 (millions)*

PERIOD	2019-2028			2029-2038			2039-2048			2049-2058		
ALTERNATIVE	A	B	B-CSX	A	B	B-CSX	A	B	B-CSX	A	B	B-CSX
<i>Office</i>	\$27	\$24	\$20	\$108	\$149	\$51	\$235	\$347	\$167	\$436	\$600	\$411
<i>Residential</i>	\$64	\$65	\$57	\$159	\$179	\$147	\$314	\$411	\$360	\$629	\$652	\$698
<i>Total</i>	\$91	\$89	\$77	\$268	\$327	\$198	\$549	\$758	\$527	\$1,065	\$1,251	\$1,110





*Table 22: Office and Residential Revenue Collection Net of Cost of City Services, Including Existing Uses, 1/4-Mile from Station, 2019 - 2058 (millions)*

PERIOD	2019-2028			2029-2038			2039-2048			2049-2058		
ALTERNATIVE	A	B	B-CSX	A	B	B-CSX	A	B	B-CSX	A	B	B-CSX
<i>Office</i>	\$25	\$21	\$0	\$92	\$106	\$2	\$144	\$242	\$92	\$194	\$424	\$242
<i>Residential</i>	\$41	\$24	\$0	\$71	\$56	\$10	\$95	\$76	\$100	\$128	\$99	\$223
<i>Total</i>	\$66	\$46	\$0	\$163	\$163	\$12	\$239	\$318	\$192	\$321	\$523	\$465

*Table 23: Office and Residential Revenue Collection Net of Cost of City Services, Including Existing Uses, 1/2-Mile from Station, 2019 - 2058 (millions)*

PERIOD	2019-2028			2029-2038			2039-2048			2049-2058		
ALTERNATIVE	A	B	B-CSX	A	B	B-CSX	A	B	B-CSX	A	B	B-CSX
<i>Office</i>	\$25	\$21	\$18	\$97	\$133	\$45	\$211	\$312	\$150	\$392	\$536	\$369
<i>Residential</i>	\$55	\$52	\$26	\$117	\$132	\$80	\$201	\$294	\$218	\$349	\$456	\$439
<i>Total</i>	\$79	\$73	\$44	\$214	\$265	\$126	\$413	\$605	\$369	\$741	\$992	\$808

*Table 24: Office and Residential Revenue Collection Net of Cost of City Services, Including Existing Uses, Landbays F, G, H, 2019 - 2058 (millions)*

PERIOD	2019-2028			2029-2038			2039-2048			2049-2058		
ALTERNATIVE	A	B	B-CSX	A	B	B-CSX	A	B	B-CSX	A	B	B-CSX
<i>Office</i>	\$25	\$21	\$18	\$97	\$133	\$45	\$211	\$312	\$150	\$392	\$536	\$369
<i>Residential</i>	\$41	\$42	\$37	\$105	\$119	\$97	\$209	\$276	\$241	\$422	\$432	\$470
<i>Total</i>	\$65	\$63	\$55	\$202	\$252	\$143	\$420	\$587	\$392	\$814	\$968	\$840



*Table 25: Gross Office and Residential Revenue Collection, Excluding Existing Uses, 1/4-Mile from Station, 2019 - 2058 (millions)*

PERIOD	2019-2028			2029-2038			2039-2048			2049-2058		
ALTERNATIVE	A	B	B-CSX	A	B	B-CSX	A	B	B-CSX	A	B	B-CSX
<i>Office</i>	\$27	\$24	\$0	\$103	\$118	\$2	\$160	\$269	\$102	\$215	\$474	\$269
<i>Residential</i>	\$17	\$11	\$0	\$45	\$50	\$14	\$61	\$67	\$145	\$81	\$87	\$328
<i>Total</i>	\$44	\$34	\$0	\$148	\$168	\$16	\$221	\$336	\$248	\$297	\$561	\$597

*Table 26: Gross Office and Residential Revenue Collection, Excluding Existing Uses, 1/2-Mile from Station, 2019 - 2058 (millions)*

PERIOD	2019-2028			2029-2038			2039-2048			2049-2058		
ALTERNATIVE	A	B	B-CSX	A	B	B-CSX	A	B	B-CSX	A	B	B-CSX
<i>Office</i>	\$27	\$24	\$20	\$108	\$149	\$51	\$235	\$347	\$167	\$436	\$600	\$411
<i>Residential</i>	\$23	\$23	\$11	\$95	\$123	\$81	\$193	\$337	\$270	\$374	\$551	\$578
<i>Total</i>	\$50	\$47	\$31	\$203	\$272	\$131	\$428	\$683	\$437	\$810	\$1,151	\$990

*Table 27: Gross Office and Residential Revenue Collection, Excluding Existing Uses, Landbays F, G, H, 2019 - 2058 (millions)*

PERIOD	2019-2028			2029-2038			2039-2048			2049-2058		
ALTERNATIVE	A	B	B-CSX	A	B	B-CSX	A	B	B-CSX	A	B	B-CSX
<i>Office</i>	\$27	\$24	\$20	\$108	\$149	\$51	\$235	\$347	\$167	\$436	\$600	\$411
<i>Residential</i>	\$22	\$23	\$27	\$104	\$123	\$107	\$239	\$337	\$306	\$529	\$551	\$626
<i>Total</i>	\$50	\$47	\$48	\$212	\$272	\$158	\$474	\$683	\$473	\$965	\$1,151	\$1,037



*Table 28: Office and Residential Revenue Collection Net of Cost of City Services, Excluding Existing Uses, 1/4-Mile from Station, 2019 - 2058 (millions)*

PERIOD	2019-2028			2029-2038			2039-2048			2049-2058		
ALTERNATIVE	A	B	B-CSX	A	B	B-CSX	A	B	B-CSX	A	B	B-CSX
<i>Office</i>	\$25	\$21	\$0	\$92	\$106	\$2	\$144	\$242	\$92	\$194	\$424	\$242
<i>Residential</i>	\$12	\$7	\$0	\$31	\$34	\$10	\$41	\$46	\$100	\$55	\$58	\$223
<i>Total</i>	\$36	\$29	\$0	\$123	\$140	\$12	\$185	\$287	\$192	\$249	\$482	\$465

*Table 29: Office and Residential Revenue Collection Net of Cost of City Services, Excluding Existing Uses, 1/2-Mile from Station, 2019 - 2058 (millions)*

PERIOD	2019-2028			2029-2038			2039-2048			2049-2058		
ALTERNATIVE	A	B	B-CSX	A	B	B-CSX	A	B	B-CSX	A	B	B-CSX
<i>Office</i>	\$25	\$21	\$18	\$97	\$133	\$45	\$211	\$312	\$150	\$392	\$536	\$369
<i>Residential</i>	\$16	\$16	\$7	\$64	\$84	\$55	\$131	\$229	\$185	\$254	\$369	\$394
<i>Total</i>	\$40	\$38	\$25	\$162	\$217	\$101	\$342	\$541	\$335	\$646	\$906	\$763

*Table 30: Office and Residential Revenue Collection Net of Cost of City Services, Excluding Existing Uses, Landbays F, G, H, 2019 - 2058 (millions)*

PERIOD	2019-2028			2029-2038			2039-2048			2049-2058		
ALTERNATIVE	A	B	B-CSX	A	B	B-CSX	A	B	B-CSX	A	B	B-CSX
<i>Office</i>	\$25	\$21	\$18	\$97	\$133	\$45	\$211	\$312	\$150	\$392	\$536	\$369
<i>Residential</i>	\$15	\$16	\$18	\$70	\$84	\$72	\$162	\$229	\$208	\$359	\$369	\$425
<i>Total</i>	\$40	\$38	\$36	\$167	\$217	\$118	\$373	\$541	\$358	\$751	\$906	\$794



## **DISCLAIMER**

WSP is not a registered Municipal Advisor, and is not subject to the fiduciary duty a Municipal Advisor has to a municipal entity client as established in Section 15B(c)(1) of the Securities and Exchange Act. WSP acknowledges that the City of Alexandria has informed WSP that it is currently represented by registered Municipal Advisors with regard to the Potomac Yard Financial Analysis and that the City of Alexandria will rely on those advisors, or their successors, prior to taking action on the issuance of municipal securities as it may derive from or in any way depend upon any work performed by WSP related to the Potomac Yard Financial Analysis. This report does not constitute a recommendation on the part of WSP.